



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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October 8, 1997

CERTIFIED RETURN RECEIPT
P 074 976 607

Lon Thomas
American Stone, Inc.
4040 South 300 West
Salt Lake City, Utah 84107

Re: Response to Notice of Non-Compliance and Time Extension Request, American Stone, Inc.,
Cotton Thomas Quarry, M/003/024, Box Elder County, Utah

Dear Mr. Thomas:

The Division has reviewed the content of your October 6, 1997, hand-delivered letter and the pertinent attachments. The copy of the sales contract which establishes your ownership of the mine property is acceptable. Your request and justification to leave certain roads and the camp area to facilitate the post mining use of your property are also accepted. We also agree to extend the time frame for you to submit your completed Large Mining Operation Notice of Intention (LMO). Each of these items are discussed in more detail below.

The roads identified in pink, on the topographic map attached to your October 6th letter, as well as the camp area near the bottom of the canyon, will be included as part of the affected area for the mining operation. However, the Division will not require formal reclamation, or the posting of additional reclamation surety to cover these areas, so long as they are not expanded beyond their present configuration. Accordingly, the Division has revised the amount of *interim* surety required to satisfy the September 18, 1997, Notice of Non-Compliance (NONC) to \$29,000 dollars (14.5 Acres X \$2,000/Acre). The revised amount of *interim* surety is required by October 20, 1997. Please note, this is only an interim surety. The final surety amount will be adjusted (either up or down) to reflect actual costs of reclamation once we receive and approve your large mining permit application. If additional reclamation is performed before the October 20th deadline for posting the *interim* surety, the amount could be adjusted accordingly.

The agreements made to mitigate the September 18, 1997 Notice of Non-Compliance (NONC) are as follows:

1. The *interim* surety must be in place by October 20, 1997. You agreed to notify the Division by October 16, 1997, of your chosen financial institution. You will provide the phone number and

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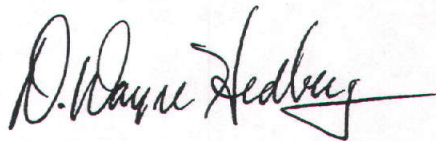
contact person for us to coordinate with at the bank. The Division will forward the appropriate surety forms to the bank so that the *interim* surety is in effect by October 20th.

2. The NONC also requires you to identify (on an appropriately scaled topographic map), a five (5) acre area within which you will restrict your mining activities until the large mining notice is approved by the Division. No new disturbance or expansion of existing disturbed areas is permitted until the LMO is approved.
3. Lynn Kunzler of my staff is currently planning an on site inspection before October 17, 1997, to assist you in obtaining the required vegetation information for your LMO. He will notify you when a date is finalized.

Your request for a time extension until August of 1998 to submit your large mine permit application is not acceptable. Under the extenuating circumstances, we agree that a time frame extension is justified. The Division will grant an extension until January 6, 1998 to submit your *initial* large mine permit application. We anticipate having your operation fully permitted and in compliance by May of 1998.

As always, please call if you have additional questions or concerns that we need to discuss in this regard.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
cc: Mary Ann Wright, DOGM
Lynn Kunzler, DOGM
Dan Moquin, AAG
m003024.let